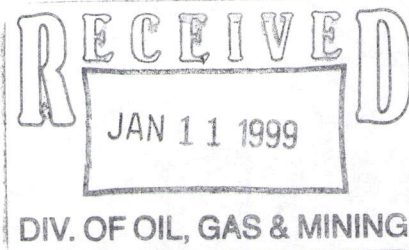


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) Jan 98 To (mo./yr.) Dec 31, 98
2. DOGM File Number (Mine No): S / 1700 / 43
3. Mine Name: CRESSENT CREEK PROJECT / MAY DAY MILL
4. Mineral(s) Mined (or permitted to mine): GOLD / SILVER / PGM GROUP METALS
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
NW 1/4, NE 1/4, 1/4, Section 31, Township 31, Range 11
1/4, 1/4, 1/4, Section, Township, Range
1/4, 1/4, 1/4, Section, Township, Range
7. Name of Operator or Company: MCW ENTERPRISES LLC
8. Permanent Street Address: 40 WEST MAIN P.O. BOX 176
City, State, Zip: HANKSVILLE, UTAH 84734
Phone: 435-542-2101
9. Company Representative (or designated operator):
Name: Kim E. Wilson "Buffalo Bubs"
Title: Mine Superintendent
Business Address: 100 S CENTER P.O. BOX 192
City, State, Zip: HANKSVILLE UTAH 84734
Phone: 435-542-3433
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? N/A
3. If yes - how much ore or mineral was mined? Approx 1500 TONS

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
Conducted Testing programs, excavating 50 ton
samples from permitted surface mine areas such as
million dollar gulch - May Day - and Burnt Cabin
placer mines. Tests ores were transported to May Day.
5. How much additional acreage was disturbed during the past year? - 0 -
6. How much acreage was reclaimed during the past year? 2 acres total
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
Contour grooming and fill work of excavated
surface mine area shown as the Burnt Cabin
mine. D-9 cat work smoothing - Front end
loader grooming - and Full re seeding of 2 acres.
8. What is the total disturbed acreage of entire project at years end? Approx 5 ac
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Plans include Production mining of Million Dollar
Gulch mine and transport to mill. Also Develop-
ment of the May Day mine - and upgrades to
the May Day mill.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Kim E. Wilson

Title of Operator:

Mining Superintendent

Signature of Operator:

Kim E. Wilson

Date:

Jan 7, 1999

MCW ENTERPRISES LLC
40 WEST MAIN STREET
P.O. BOX 176
HANKSVILLE, UTAH 84734
PHONE 435-542-2101
FAX 435-542-2107

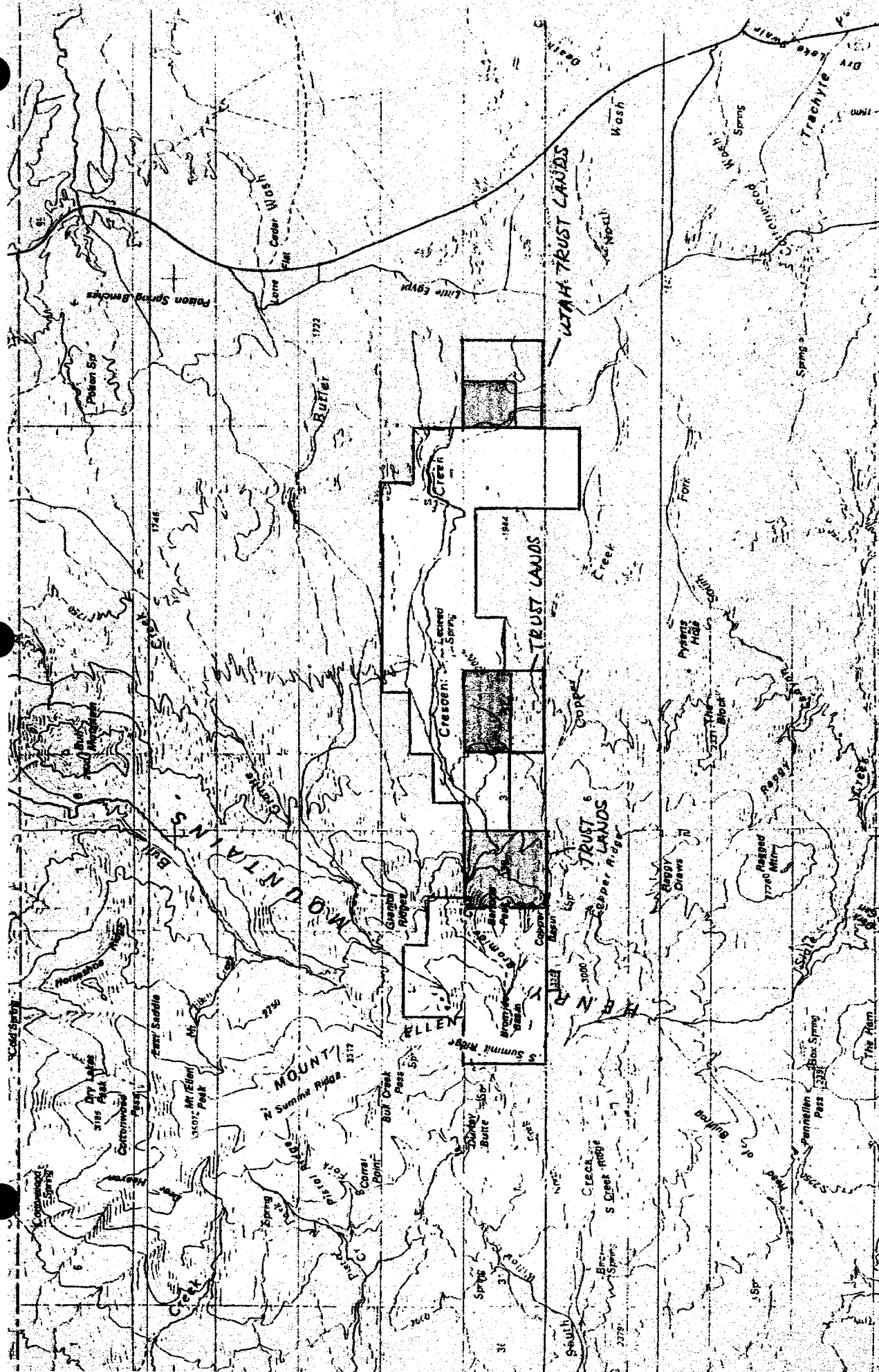
Annual report for mines & mills



THE HENRY MOUNTAINS - SOUTHERN UTAH

WIRE GOLD FROM
THE BROMIDE BASIN
MINES.





MCW PROPERTY CONSOLIDATIONS HEERY MOUNTAINS UT 225



POONIDE BASIN CONSOLIDATED GROUP (MCW, HELD)

UNITED STATES DISTRICT COURT (NEW YORK)

MCN 3000 ACRE PLACER GI

MCW ENTERPRISES LLC
40 WEST MAIN
P.O. BOX 176
HANKSVILLE, UTAH 84734

PHONE 435-542-2101
FAX 435-542-2107

RE: Annual Report to all Percentage Partners
Crescent Creek Project

In early January 1998 MCW ENTERPRISES LLC A Utah Limited Liability Company was established. MCW was formed through partnership of an existing Gold Company operating in the remote Henry Mountain Region of Southern Utah.

The Henry Mountain Gold Trend was first prospected and mined in the late 1700's by Spanish explorers. In 1890 a Colorado based company mined the High Grade Gold veins in the upper and lower portions of Crescent Creek on the Eastern Flank of the Mountain Range. The mines boomed and a bustling town was built to accommodate over 200 miners as the mines grew in size and began to produce very high grade gold and silver. Some mines produced 20 to 30 ounce per ton gold ore. The settlement known as Eagle City boomed for almost 20 years until the First World War took most mine workers and a devastating mill fire shut the mines down. Throughout the years some small companies have tested the Gold Trend and found good values, but none ever had enough capital to achieve an ore production mill again until winter 1997 - 1998.

The existing miners and equipment were kept in tact and some additional key personnel were hired to complete construction of the small MCW mill situated on Upper Eagle Bench near the old settlement of Eagle City. Through partnership investments larger excavating and milling equipment was purchased and deployed.

At peak construction of 2 separate milling facilities 25 men were employed. These mills were small in comparison to other Industry standards, and are considered pilot mills or test mills. Early in 1998 the weather posed a serious problem to construction, but through diligence and a strong crew the mills were completed. Since it was obvious that the mills were small and only suitable for testing the large ore body we scaled back man power and expenses to accommodate the lessor production.

Management decided to implement a full property testing program and to process small bulk ore samples at the millsite. Consultants were hired to examine the large property which is an alluvial fan of gravels bearing gold ore. The consulting survey shows a huge bulk mineable gold ore reserve within the property boundaries. Their preliminary study shows an approximate 245 million tons of feasible ore reserve.

Correlating mill run tests proved positive on the assay results which were consistent at an average .05 ounce per ton gold ore throughout the 2800 Acre placer claim group. We began our testing program once the mill was constructed, and implemented test excavations throughout the property at different grid intervals. Testing shows us an average value of the total reserve, and gives us a broad picture of what we can produce if our mills are upgraded to a production standard processing plant. A production plant is an ore processing plant which processes 300 tons of ore per hour or above. Below that figure, ore processing is considered a test plant or pilot plant.

During the years test program, we decided that we had enough data from an abundant amount of correlating laboratories to justify some extension contracts on adjacent mining properties.

MCW had acquired the 2800 Acre Parcel with its water rights under contract, but that parcel is considered a lower grade placer mine compared to the Upper part of the Mountain and the High grade gold mines located there. We have the only milling facility with water rights that is feasibly located for year round operations within the Henry Mountain Gold Trend. All of the other area mine owners and operators were very knowledgeable of this fact and eager to either option to sell or joint venture with MCW for most major hard rock ore body structures.

MCW joint ventured with Kaibab Industries Inc., who owns the famous high grade mines in the upper Bromide Basin which has produced 20 to 30 ounce per ton gold ore in recent past years. We signed a 50% joint venture agreement with them on gold and concentrate productions. The Kaibab lands represented the accumulated acreage of over 1000 Acres, both BLM and Patented (Private) Properties. We then acquired a full square mile (640 Acres) in a State Trust Lands section or school section which was owned by a single owner. We obtained those lands and paid for them for a total 10 year lease. That section is important due to its location just above the mill and its good bulk mineable ores at the surface which we had tested.

Next we acquired leases on both the Martinique and Sarah Ann Mine Claim Groups which are also located close to the milling facility at Eagle City. Both of those mine claim groups also show higher grade values in large zones and vein structures. We also leased mines like Granite Creek, Spanish Dream and Copper King.

Our intent has been simple throughout the test program, and our acquisition at low cost of the whole Henry Mountain Gold Trend will one day prove to be worth Billions in Gold Revenue. By taking options and leases on all other surrounding mines and then testing them to confirm the High Grade values present in the ore bodies we have consolidated and certified our presence as MCW which is now the area leader in development.

The Gold Trend is under one roof or in one house you might say.

All total, MCW has put together nearly 5000 Acres in a huge potential gold producing project. This was all that we could manage in one years time in an area so depressed economically and so remote.

We did not produce an enormous amount of gold Bullion, or concentrate for refining, however we did provide irrevocable proof and certified laboratories analysis from many different laboratories across the nation, confirming the huge bulk mineable ore body. We have a 700 page full mine portfolio which is complete with all assays and pertinent land information. We have fully permitted and licensed the operation with insurance's and workmans compensation for our employees. We are fully safety certified and have been inspected many times by both Federal and State Agencies in the mine related divisions. We have a complete operation which has been approved by these same agencies.

Normally in the mining industry it takes years of study and core drilling, and millions of dollars before actual production of the commodity is begun. MCW has spent a considerable amount of investors funds to achieve our present status, which is small, but giant leaps forward have been attained by advancing aggressively as we have done.

We have this huge project tied up. We have a working gold mill that can produce 30 tons per hour and more if we utilize all of our resources and equipment. We own the water rights and the Claim Group. We hold all the cards in the Henry Mountain Gold Trend with the acquiescence we have made in lands and existing mines in the Upper Hard Rock areas.

We have a rock solid opportunity to sell our gold and high concentrate products to a good refinery at premium market values. We have staggered the industry with our assay in high grade from the Upper High grade gold mines and huge ore body of the lower grade values. We have created a high interest in our project by several large gold mine operators such as Hanover Gold and Phelps Dodge. These companies are taking a serious look at us and we have been in negotiations with them. We can expect in the future an offer for joint venture or a buy out from these and a few other larger firms we are currently in talks with.

We are currently undergoing a full due diligence formatting with a large investment company that is interested in our project. We are expecting to close one of these options within the month of January 1999. We are aware of the needs of our investors and their concerns which are fully justified. We must

apologize for the lack of communication concerning the Henry Mountain project to our partners. I feel that it is very important to always keep in full contact and update our partners at least monthly. Our problem has always been a lack of adequate financing to properly develop a working profitable mine. We have always been behind it seems in a business that exacts a tremendous cost and a tremendous sacrifice to management members who are always on the front line trying to better the company.

I feel we have made no bad moves with our company and we have done all within our power to do the best for our partners and members.

At present we operate on a very limited budget and we are trying to hold the project together. We have serious buy out or joint venture offers which will more than adequately provide monetary relief for all of our investors.

We have only a small investment need to upgrade our mill from 30 tons per hour to 100 tons per hour which would provide the company a profit of over 100,000 dollars per month. At our 30 ton per hour rate we cannot break even with the low gold price we have now. But even with the low gold price, a higher production rate with better equipment will cost less, employ fewer crew, and make higher profits.

We have done a full work up on our upgrade needs and found the equipment for the job. The cost is approximately 200,000 dollars for the full upgrade. We have been and will continue to create a profitable business, even if we have to sell the project to protect the interests of our partners and investors. We feel if we did so we would ultimately be the big losers, as a large company will come in and create millions in yearly profits simply by finishing what we have started.

We have an office in Hanksville, Utah that has kept all records and accounting of the project. All paperwork concerning investors and answers to any questions you may have can be answered at this office. The full mine layout and portfolio is also available for partners to see. We invite all to come and visit the mine and mill and to share our enthusiasm for this project. We would encourage each investor to call us at the Hanksville Office and review each file. We have limited information concerning some clients and we would like to bring everyone up to date. These investors wishing to be paid in full should call and visit our office. Those who wish to participate in further profits should also call and take the time to see first hand our hard work and efforts with this company. Either way I think we can all share a potential monetary profit in the first part of 1999. I encourage all to give us a call at my office in Hanksville. I am the Mine Superintendent for **MCW ENTERPRISES**. I have 22 years mining experience, and have worked for several major gold companies. I thank you all for your time and patience with this project. **KIM E. WILSON**

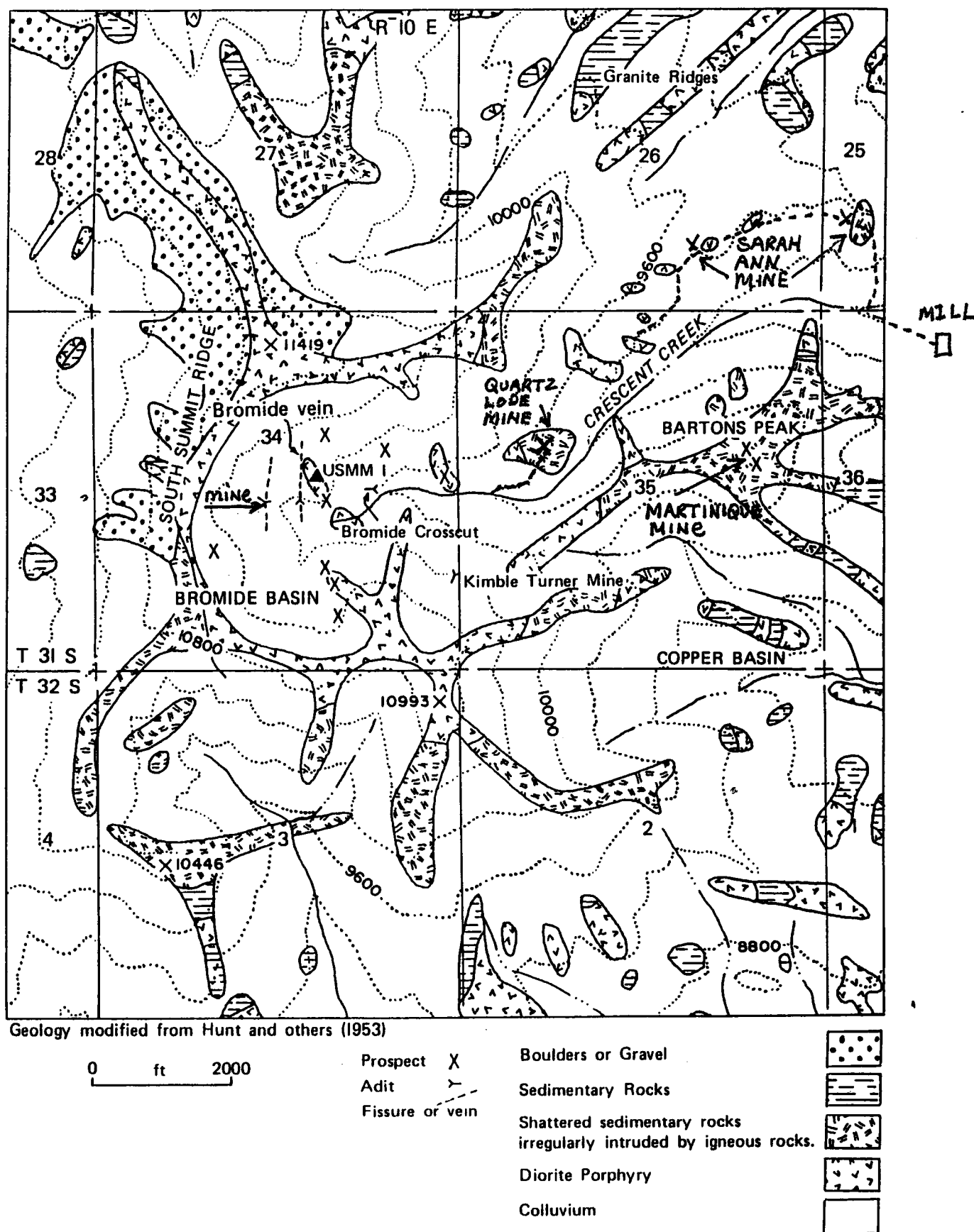




The high grade "Crescent Creek mine"



RIECHERT SPIRAL PROCESSING MILL AT THE
LOWER MILLSITE





OUR OFFICE MANAGER , SARAH WILSON



OUR CRUSTY MINE CREW

New Paradigm Technologies Ltd.

Number: 15 - 3
 Sample: Customer's Bar # 3
 Date: 12. 15. 1998

Sym- bol	A.R.		HSCG4		Total		Comments
	g / t	oz / t	g / t	oz / t	g / t	oz / t	
Au	28.12	0.9	143.77	4.62	172	5.5	
Ag	1946.97	62.6	599041	18262	600988	18324.4	
Pt	0	0	1597.44	51.37	1597	51.4	
Pd	18.98	0.61	107.03	3.44	126	4.1	
Rh	0	0	0	0	0	0	
Cu	3514	113	1757.10	55.5	5271	169.5	
Zn	10.54	0.34	23.98	0.77	35	1.1	

BAR 3 - MARTINIQUE MINE CONCENTRATE SMELT

New Paradigm Technologies Ltd.

Number: 15 - 5
 Sample: Customer's Bar # 5
 Date: 12. 15. 1998

Sym- bol	A.R.		H2SO4		Total		Comments
	g / t	oz / t	g / t	oz / t	g / t	oz / t	
Au	137.79	4.43	44.99	1.45	183	5.9	
Ag	1019.84	32.79	64.27	2.07	1084	34.9	
Pt	254.91	8.2	591.28	19.01	846	27.2	
Pd	23.08	0.74	43.06	1.38	66	2.1	
Rh	3.44	0.11	0	0	3	0.1	
Cu	13348.3	4292.1	931.88	29.96	14280	450.2	
Zn	430.59	13.85	12.85	0.41	444	14.3	

SARAH ANN MINE CONCENTRATE SMELT FROM 10 LBS.
 BAR WIEGHT - 1.1 LBS

Technical Services



P.O. Box 1978, Montrose CO 81402 (970)249-7349 FAX (970)249-9145

REPORT OF ANALYSIS

CLIENT: Mike Terry

TYPE OF ANALYSIS: Assay for Gold/Silver
and Platinum Group

MATERIAL IDENTIFIED
BY CLIENT AS: As Listed

DATE SUBMITTED: 2-19-98

SAMPLE:

	Au opt*	Ag opt*	Pt opt**	Pd opt**	Rh opt**
Gem Cons 2209801	4.75	3.02	.006	.0016	.003
Gemmi Super Cons 2209802	77.33	7.51	.022	.032	.055
Gemmi Mids 2209803	1.84	.86	.001	-0-	-0-
Digester Con 2209804	261.35	16.69	.347	trace	.110
Super Con 2209805	.123	.027			
May Day Rock 2209806	.091	.029			

2209801
2209802
2209803
2209804
2209805
2209806

* analytical procedure employed: Assay by fire and hydrometallurgical separation.

** analytical procedure employed: D.C. Emission Spectrometry.

PPM: Parts per million

OPT: Ounces per short ton

GM/MT: Grams per metric ton

CLIENT ADDRESS: Mike Terry

Utah

(406) 843-5352

FAX (406) 843-5353


Steve Dasebolt
Technical Services

Date: 2-20-98

Mineral Recovery Services, Inc.

PO Box 400 - 484 7th St.

Wells, NV 89835

Phone (702) 752-2275 FAX (702) 752-2276

April 6, 1997

ASSAY REPORT

Bromide Basin Ore Samples

Samples were crushed to approximately 80 mesh, hand panned, then the concentrate and tail fire assayed.

Sample ID

- #1-Bromide Mine High Grade
- #2-Martinique Mine High Grade Vein
- #3-Bromide Vein Concentrate
- #4-Bromide Mine Brecchia Pipe

All numbers are Troy Ounces of Gold Per Short Ton.

	Head Assay	Pan Con	Con Ratio	Tail Assay
Sample #1	29.294	679.933	22:1	2.516
Sample #2	6.143	142.287	23:1	1.940
Sample #3	210.420	816.482	9:1	7.994
Sample #4	7.693	264.344	40:1	.708



Hank Chapman, Jr.
Assayer

cc:file



Date: June 24, 1998

ASSAY REPORT:

To: Mr. Michael Terry
 Anasazi Gold, LLC
 40 West Main, P.O. Box 96
 Hanksville, UT 84734

Auric Sample No:	Customer Sample ID No:	Gold Tr oz/ton	Silver Tr oz/ton	Platinum Tr oz/ton	Palladium Tr oz/ton	Other Tr oz/ton
0591 A	Quartz Lode Head Ore	12.261	4.226	N/A	N/A	----

The results reported above are based on well known accepted analytical procedures used solely on the sample submitted by the customer. No warranty as to the reproducibility or extensibility of the material other than the sample is given. Auric Metallurgical Laboratories, LLC makes no representation express or implied on the material other than that represented by the assayed sample.

Alunet B. Altunay
 Metallurgical Engineer

August 10, 1998

Mr. Kim Wilson
Mine Superintendent
MCW Enterprises, LLC
40 West Main Street
Hanksville, Utah 84734
Sent Via Facsimile to 1-435-542-2102

RE: Status Report

Dear Mr. Wilson:

I have conducted an analysis on the various concentrate materials received at this facility on Friday, July 31, 1998. My results in ounces per ton are as follows:

<u>Sample</u>	<u>Au</u>	<u>Pt</u>	<u>Pd</u>	<u>Rh</u>
Sarah Ann Cons	13.11	5.40	0.81	0.49
Million \$ Gulch	9.57	8.25	1.30	0.80
Bromide Production Con	12.54	5.68	0.97	1.01
Brinks Vein	0.51	1.76	0.28	0.15
Bromide Dump H/O	0.32	1.42	0.24	0.20
Bromide Super Con	2.26	5.37	0.80	0.94

The Sarah Ann Concentrate and the Bromide Production Concentrate are of a quality to be processed for refining. I will have to do more work on the Million Dollar Gulch material. I was not pleased with the total digestion. It too is a good candidate for refining. In all cases the material is too coarse, and I respectfully submit that a fine grind and further concentration will generate a substantial improvement ion the

JOHN C. KEPHART & CO.
GRAND JUNCTION LABORATORIES

435 NORTH AVENUE

PHONE 242-7618

GRAND JUNCTION, COLORADO 81501

ANALYTICAL REPORT

Received from:

Summit Financial Planning Group, Inc. 241-4141
Carlos Maestas 256-0551
Wayne Ratner 245-7777
Mark Spaulding
145 Grand Ave., Suite D; Gr. Jct., CO 81501

Customer No.

Laboratory No. J-408

Sample mineral

Date Received

5/18/98

Date Reported

5/27/98

Lab #: J-408, Sample ID: Quartz Lode Silver 3.24 gm from 60 gm

Platinum Group:

Platinum(Pt)	none detected
Palladium(Pd)	none detected
Iridium(Ir)	none detected
Rhodium(Rh)	none detected
Ruthenium(Ru)	none detected
Rhenium(Re)	none detected

Spectrographic analysis:

Copper (Cu)	0.01-0.1 %
Lead (Pb)	1-3 %
Zinc (Zn)	none detected
Magnesium (Mg)	0-0.001 %
Manganese (Mn)	none detected
Calcium (Ca)	none detected
Silica (SiO ₂)	0.01-0.1 %
Iron (Fe)	0.001-0.01 %
Titanium (Ti)	0-0.001 %
Cobalt (Co)	none detected
Bismuth (Bi)	0.01-0.1 %
Barium (Ba)	none detected
Beryllium (Be)	none detected
Aluminum (Al)	0-0.001 %
Molybdenum (Mo)	none detected
Tin (Sn)	none detected
Nickel (Ni)	0.01-0.1 %
Gallium (Ga)	0.001-0.01 %
Potassium (K)	0.01-0.1 %
Vanadium (V)	0.001-0.01 %
Indium (In)	0-0.001 %
Gold (Au)	0-0.001 %
Silver (Ag)	>50 %
Sodium (Na)	none detected
Antimony (Sb)	none detected
Arsenic (As)	none detected
Tungsten (W)	none detected
Strontium (Sr)	none detected
Chromium (Cr)	none detected
Boron (B)	0-0.001 %

50% of 1 Ton is
1000 LBS.

Director: R. Bauer



EQUIPMENT AND MILLS (THEY ONLY GET BIGGER)

